

Daily Journal of Commerce

March 19, 2003

Big changes ahead for 2 port terminals

Planning has started on converting Terminal 91 to a mixed-use complex, but major redevelopment at Terminal 46 has a longer time frame.

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The Port of Seattle's talks with Hanjin Shipping Co. about moving the cargo handler for eventual redevelopment of Terminal 46 have fallen apart.

"It's very unlikely" that Hanjin would move to another port location before the remaining 8 1/2 years of its Terminal 46 lease run out, port Deputy CEO Tom Tierney said yesterday after giving a presentation about the port's major redevelopment projects to a construction industry group.

"There were talks, but they're over. ... They like Terminal 46," Tierney said to a meeting of the Associated General Contractors. Hanjin holds an option to extend the lease another five years.

Tierney wasn't complaining. He said lightheartedly that gaining community acceptance for changing the 88-acre terminal on the south end of downtown from cargo to high-density mixed use could take the full 8 1/2 years.

Tierney also said negotiations between Vulcan Inc. and the University of Washington about creating a 750,000-square-foot satellite campus in South Lake Union aren't a threat to the possibility of the UW putting research facilities at the port's Terminal 91.

"UW has told us that in the next decade or so they'll need up to 4 million square feet of new off-campus space," said Tierney, whose port titles include the new post of general manager for economic development.

"We have anticipated -- everybody in the marketplace has anticipated -- that this first round of 750,000 square feet would go to South Lake Union," he said. "We wouldn't try to get in the way of that."

The port is clear that it expects to redevelop Terminal 91's 57 upland acres from an unused Nissan car parking lot into higher-density urban uses. The port has begun calling the 57 acres North Bay.

In a December speech, Tierney said the port had begun preliminary talks with UW about placing research facilities at North Bay, close to Amgen's new research campus at Terminal 88.

Yesterday, Tierney said planning and permitting the redevelopment of North Bay has started and will take at least a year and a half. Constructing infrastructure would take at least another year.

"We're not in competition with South Lake Union at all. They're building now. We figure this (North Bay) redevelopment will occur over the next two or three cycles" of the economy, meaning potentially during the next 20 to 30 years, Tierney said. "Our hope is that some building will be in place by 2006."

North Bay planning includes gaining community acceptance of the change, possibly to a mix of research, office, retail and housing, Tierney said. It also involves the city deciding

which of four proposed configurations it will use in rebuilding the **Magnolia Bridge**, which carries West Galer Street along the southern end of North Bay.

Tierney said the old assumption that Galer has to rise over port and U.S. Navy property at North Bay no longer applies. The decrepit **bridge** could come down and Galer could be rebuilt as a surface street, connecting **Magnolia** and Elliott Avenue, he said.

The planned monorail and Sounder commuter trains will run within 50 yards of each other at North Bay, making it a choice site for a combined station that could also serve a north extension of the downtown trolley, Tierney said.

Redevelopment of Terminal 46 has an even longer time frame, and involves the region making other big decisions, starting with the massive re-make of the Alaskan Way Viaduct.

Tierney said redeveloping Terminal 46 to non-cargo uses won't mean a reduction in the port's cargo activity, as some may have concluded.

He said the port has spent more than \$500 million since 1996 to modernize Terminal 5 and Harbor Island, more than doubling cargo capacity at the two locations. Moving Hanjin there wouldn't reduce cargo activity, but simply use some of that increased capacity, he said.

"Far from turning our backs on cargo trade, we really are still committed to maritime trade," Tierney said. "Our cargo volume grew by 11 percent last year. That's not as fast as growth in Los Angeles, but it's still growth. We expect (it) to double during the next 10 years."

Tierney suggested the Belltown boom stemmed in part from decisions the port made in the 1980s to launch redevelopment of the waterfront's north end.

Former Seattle Mayor Charlie Royer argued in the 1980s that Belltown redevelopment wouldn't take off until the mass of blackberry patches and vacant lots on the hillside north of Pike Place Market changed, Tierney said.

Royer proposed a property tax levy to pay for starting redevelopment, but voters rejected it. Then the port stepped in and bought some of the property, re-selling it as development sites for the Waterfront Landing condos, the Marriott Hotel that will open in a few weeks and the World Trade Center office complex, Tierney said.

The Port also redeveloped Pier 66 into a conference center and cruise ship terminal, and turned Pier 69 into the port's headquarters, he said.

"We took land that was under-utilized and turned it into a catalyst for Belltown," Tierney said.